

North Industrial Corridor TIF

Overview. Kansas State law (KSA 12-1771a) allows the City to fund costs related to the cleanup of an environmentally contaminated area through the use of a special type of Tax Increment Financing (TIF). This mechanism involves the restoration of property values in a contaminated area to their higher pre-contamination levels and capturing up to 20% of the "increment" of property tax produced by the valuation increase to pay cleanup costs.

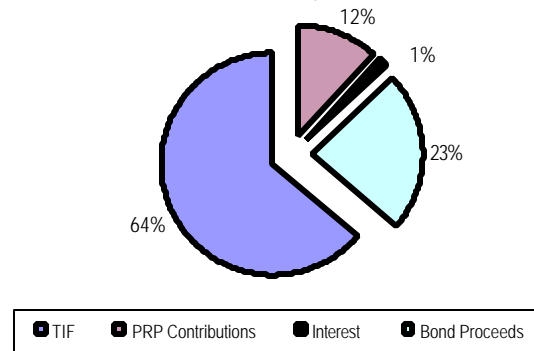
Tax Increment Financing District #2 was established in January 1996 to fund the clean up of groundwater contamination in the North Industrial Corridor area. The City is currently investigating the area to identify the potentially responsible parties (PRPs) who caused the contamination. The City intends to make every effort to see that PRPs reimburse the City for as much of the clean-up costs incurred by the City and funded by the TIF as possible. Using a proactive approach, the City has sought to keep the lines of communication open between City staff, PRPs, and agencies such as the Kansas Department of Health & Environment (KDHE) and the Environmental Protection Agency (EPA) to head off conflicts that may otherwise force expensive and time-consuming legal action.

Finance and Operations. North Industrial Corridor (NIC) project expenditures for 2000, 2001 and 2002 include legal and project consultant fees, laboratory costs, KDHE/EPA oversight costs, testing/sampling materials, and other administrative costs.

Currently, City staff and the NIC project's primary contractor are conducting the remedial investigation phase of this project, whereby testing and sampling is done to determine the extent of contamination. This investigative phase is scheduled for completion in 2000, at which time development of a clean-up plan

will begin. Remedial design will begin after these tasks are completed, with remedial construction (contamination abatement) scheduled to begin in 2002.

**North Industrial Corridor TIF Fund
Revenue Summary 1999-2002**



The City has already received an initial payment for some of the remediation costs from one potentially responsible party. The City's legal staff and outside legal advisors will continue to aggressively pursue the project's goal of holding PRPs financially liable for the clean-up of all contamination they have caused in the district.

Certificates of release of environmental liability have been issued for many of the properties within the NIC site. These releases of liability promote fairness by ensuring that those proven not responsible for contamination in the district are not burdened by the legal difficulties of proving their lack of culpability.

North Industrial Corridor (NIC) TIF Fund Budget Summary					
	1999 Actual	2000 Adopted	2000 Revised	2001 Adopted	2002 Approved
North Industrial Corridor Fund Revenue	568,431	1,316,030	952,140	1,257,440	3,004,560
Personal Services	0	600	600	600	600
Contractual Services	255,503	1,617,880	1,159,160	1,308,230	2,007,200
Commodities	569	8,350	4,450	2,750	2,750
Capital Outlay	0	0	4,130	150,000	1,000,000
Total Fund Expenditures	256,072	1,626,830	1,168,340	1,461,580	3,010,550
Revenue Over (Under) Expenditures	312,359	(310,800)	(216,200)	(204,140)	(5,990)
Allocation - Future Debt Service	0	0	(205,000)	205,000	0
North Industrial Corridor Fund Balance	465,785	28,956	44,585	45,445	39,455